

Message Text

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44

ACTION ARA-10

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INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 5644

C O N F I D E N T I A L LA PAZ 1086

FOR ASST SECY ROGERS AND PM DIRECTOR VEST

E.O. 11652: GDS

TAGS: MASS, BL

SUBJECT: REQUEST FOR INCREASE IN FY 75 FMS CREDIT FOR BOLIVIA

1. I WOULD APPRECIATE YOUR HELP IN OBTAINING AN INCREASE IN THE FMS CREDIT ALLOCATION FOR BOLIVIA IN FY-75 FROM \$4 MILLION TO \$10 MILLION. THE INCREASE WOULD MAKE A MAJOR CONTRIBUTION TO STRENGTHENING OUR RELATIONS AND TO ACHIEVING SIGNIFICANT US OBJECTIVES. IT WILL HELP US MOVE AWAY FROM MAP GRANT MATERIAL IN AN ORDERLY WAY AND WILL BUILD CONFIDENCE IN BOLIVIA THAT WE TREAT ITS CONCERNS SERIOUSLY. MORE IMPORTANTLY, IT WILL ALSO ENABLE THE BOLIVIAN ARMED FORCES TO CARRY ON WITH THEIR NON-MILITARY CIVIC ACTION MISSION OF NATION-BUILDING AND ECONOMIC DEVELOPMENT WORK IN THE RURAL AREAS.

2. WE WERE FORTUNATE IN OBTAINING A \$4 MILLION FMS CREDIT FOR FY-74 WHICH THE GOB DECIDED TO USE FOR ITS AIR FORCE. PRUDENTLY, PRESIDENT BANZER DETERMINED THAT TRANSPORT AIRCRAFT SHOULD BE PURCHASED WHICH WOULD SERVE PRODUCTIVE PURPOSES. SINCE C-130 S WERE BEYOND THE REACH OF THIS CREDIT, THE FAB BOUGHT CONVAIR 580 TURBOJETS. I CITE THIS AS EVIDENCE OF BOLIVIA'S CAUTIOUS POLICY ON MILITARY PURCHASES.

3. THE PRESENT BOLIVIAN REGIME IS CONCERNED THAT IT IS NOT
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ADEQUATELY EQUIPPED TO COPE WITH SERIOUS INTERNAL SECURITY

PROBLEMS, THAT IT CANNOT PROTECT ITS BORDERS FROM FOREIGN INCURSION,⁸ AND THAT BETTER EQUIPMENT IS NEEDED IN BOTH MILITARY AND CIVIC ACTION FIELDS TO ENHANCE THE EFFICIENCY, MORALE AND PROFESSIONAL LEVEL OF THE ARMED FORCES.

4. WHETHER JUSTIFIED OR NOT, THERE IS A GROWING MALAISE ON PART OF PRESIDENT BANZER AND WITHIN THE BOLIVIAN ARMED FORCES THAT THE US PROGRAM OF EQUIPPING FIVE MOBILE REGIMENTS (TIPOS) HAS BEEN TOO SLOW AND IS EVEN NOW SUBJECT TO FURTHER DELAYS. THIS REACTION HAS NOT YET MANIFESTED ITSELF IN ANY OTHER WAY THAN GRUMBLING IN PRIVATE AND OCCASIONAL DIGS IN PUBLIC. A MORE MATURE RELATIONSHIP WILL ARISE THROUGH FMS CREDITS. OF COURSE, MEANTIME WE SHOULD FULFILL OUR OBJECTIVE OF GETTING THE FIVE TIPOS INTO SHAPE THROUGH GRANT AID.

5. BOLIVIA DEVOTED LESS THAN 1.7 PERCENT OF GNP TO ITS MILITARY IN 1974. IT HAS PURCHASED VERY LITTLE NEW EQUIPMENT FOR ANY OF ITS SERVICES, BUT PRESSURE TO RE-EQUIP CANNOT BE PUT OFF VERY MUCH LONGER. WE MAY BE ABLE PARTIALLY TO SATISFY BOLIVIA'S DESIRE FOR TANKS BY AN OFFER OF THE CADILLAC-GAUGE ASSAULT CAR. WE MAY BE ABLE TO SATISFY BOLIVIA'S INTEREST IN SUCH PRODUCTIVE ITEMS AS C-130S, WELL DRILLING EQUIPMENT, HOSPITAL AND MEDICAL SUPPLIES, ROAD BUILDING EQUIPMENT, HOUSE CONSTRUCTION EQUIPMENT, COMMUNICATIONS, AS WELL AS STRICTLY MILITARY SUPPLIES.

6. BOLIVIAN FOREIGN POLICY IS ALIGNED WITH OURS. WE HAVE NO BILATERAL PROBLEMS. PRESIDENT BANZER AND VIRTUALLY ALL SENIOR MILITARY OFFICIALS HAVE EXPRESSED A STRONG DESIRE AND FELT NEED FOR ADDITIONAL MILITARY ASSISTANCE IN FORM OF CREDITS BUT HAVE NOT MADE NUISANCES OF THEMSELVES. EVENTUALLY THEY WILL BUY MILITARY EQUIPMENT AND THE ADDITIONAL FMS WILL HELP CHANNEL THOSE PURCHASES TOWARD THE NECESSARY AND THE MOST PRODUCTIVE.

7. IN SUM, AN INCREASE AT THIS TIME IN THE FY-75 FMS ALLOCATION WOULD BE A HEALTHY, WELCOME AND MAJOR INPUT INTO BOLIVIA.
STEDMAN

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Message Attributes

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Margaret P. Grafeld
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